

MOORE & VAN ALLEN, PLLC OCT - 5 '99
ATTORNEYS AT LAW

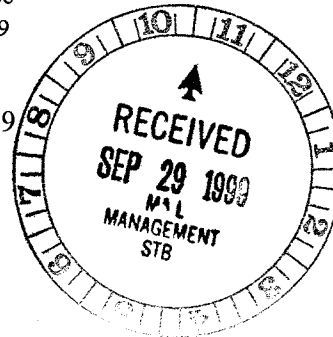
10-00 AM

ALAN J. CHADD
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RALEIGH, NC
DURHAM, NC
CHARLESTON, SC

September 28, 1999

**VIA UPS OVERNIGHT**

Secretary Vernon A. Williams
Surface Transportation Board
1925 K Street, NW
Suite 700
Washington, DC 20423

Re: *Recordation of Memorandum of Master Rail Lease Agreement dated as of September 1, 1999*

Dear Mr. Secretary:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) counterparts of a Memorandum of Master Rail Lease Agreement (executed in multiple counterparts) dated September 1, 1999. They are primary documents as defined in the Board's Rules for the Recordation of Documents.

A description of the railroad equipment covered by the enclosed document is set forth on Schedule I attached hereto. Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the recordation fee.

In the event that they are necessary, I have attached on Schedule II to this letter the address of each of the parties to the Memorandum.

Please return one stamped original document to the undersigned. A Business Reply Mail envelope is enclosed for your convenience. If you have any questions regarding these documents or this matter, please do not hesitate to contact me at (704) 331-1179.

Very truly yours,

MOORE & VAN ALLEN, PLLC

A handwritten signature in cursive script that reads "Alan Chadd".

Alan J. Chadd

Enclosures

SCHEDULE I

DESCRIPTION OF EQUIPMENT (September 1, 1999)

Fifteen (15) New 1999 4,200 cubic feet capacity, 286,000 lb. capacity, aluminum, rapid discharge coal
hoppers manufactured in 1999 by Trinity Industries, Inc., and bearing the following marks: NVPX 1181
through and including 1195, together with all attachments, accessories, accessions and substitutions
thereto.

SCHEDULE II

ADDRESSES

First Union Commercial Corporation
One First Union Center
301 South College Street, 20th Floor
Charlotte, NC 28288
Attention: Linda Minter

Nevada Power Company
6226 West Sahara
Las Vegas, NV 89151
Attention: Colleen Rice

OCT - 5 '99

10-00 AM

MEMORANDUM OF MASTER RAIL LEASE AGREEMENT

THIS MEMORANDUM OF MASTER RAIL LEASE AGREEMENT dated as of September 1, 1999, is between FIRST UNION COMMERCIAL CORPORATION, a North Carolina corporation ("Lessor") and NEVADA POWER COMPANY, a Nevada corporation ("Lessee").

WHEREAS, the Lessor and the Lessee are entering into that certain Lease Schedule No. 3 dated as of September 1, 1999 (the "Lease Schedule"), which Lease Schedules is a schedule to that certain Master Rail Lease Agreement dated June 10, 1996 (the "Lease") and which places under lease that certain equipment set forth on Schedule I attached hereto, together with all attachments, accessories, accessions and substitutions thereto;

IN WITNESS WHEREOF, the parties wish to show for the public record the aforesaid Lease and Lease Schedule, and accordingly have caused this Memorandum of Master Rail Lease Agreement to be executed by their officers thereunto duly authorized, as of the date first above written. This memorandum may be executed in counterparts, each such counterpart shall be binding on both parties hereto, notwithstanding that both parties are not signatories to the same counterpart.

FIRST UNION COMMERCIAL CORPORATION

By: Name: LINDA BAXTERTitle: VICE PRESIDENT

NEVADA POWER COMPANY

By: _____

Name: _____

Title: _____

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FIRST UNION COMMERCIAL CORPORATION

By: _____
Name: _____
Title: _____

NEVADA POWER COMPANY

By: David G. Barneby
Name: David G. Barneby
Title: Vice President, Generation

STATE OF North Carolina

COUNTY OF Mecklenburg

I, Susan Sorrells Cooper, a Notary Public in and for said state and county, do hereby certify that Linda Baxter personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Master Rail Lease Agreement.

Witness my hand and official seal this 15th day of September, 1999.

Susan Sorrells Cooper

My commission expires: 2-22-2004

[NOTARY SEAL]

STATE OF NEVADA

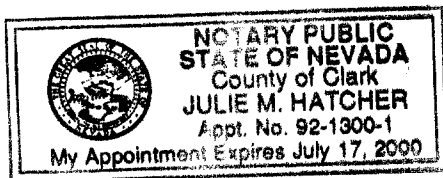
COUNTY OF CLARK

I, Julie Hatcher, a Notary Public in and for said state and county, do hereby certify that David Barneby personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Master Rail Lease Agreement.

Witness my hand and official seal this 1st day of Sept., 1999.

Julie M. Hatcher
My commission expires: July 17, 2000

[NOTARY SEAL]



SCHEDULE I

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